



Message from the President & CEO: Opportunities, Priorities and Posititons



PHOTO/FRANK FLAVIN

Rachael Petro presents 2013 Legislative Priorities to the attendees.

By Rachael Petro

Like many who call themselves Alaskans, I wasn't born here. But once here, I stayed. Friends and family from the Lower 48 never tire of asking why. For me, the answer lies in opportunity, community and environment. I'm happy to be an Alaskan, even if my 16 years here only grants me "cheechako" status.

I'm hopeful that my two "born-here" children prove it. As I see the smiles on my four-year-old's face, and soak up the innocence of my four-month-old's cooing giggles, I wonder — am I doing all I can to ensure they are afforded the blessings of opportunities I have had?

Good job opportunities, healthy communities and environments don't just happen.

Businesses, and the people behind them, which make up the Alaska State Chamber of Commerce and local chambers around the state are crucial in this

mix. Business can't do it alone.

They need the freedom and predictability of public policies that allow them to do what they do best — create wealth. Wealth that allows families to earn a living, wealth that enables Alaskans to take care of their neighbors, and wealth that allows us to properly care for our incredibly beautiful environment.

Membership in the Alaska Chamber affords Alaska businesses the opportunity to work together to make Alaska a better place to do business. Last fall, our members adopted dozens of positions that allow the organization to advocate for a better policy environment for business in Alaska. Topping the priority list for the third year in a row at the state level is reforming oil tax policies to increase production — and it's no exaggeration that we're all hoping the third time is the charm!

Members also elevated access to

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Message from the chair: A new mood in Juneau

By Renee Schofield

There's a new mood on the hill today!

I've just returned from Juneau where I attended the Alaska Chamber Legislative Fly-In of 2013. If you missed this Fly-In, you missed one of the largest, if not THE largest, of all fly-ins to Juneau.

The Voice of Alaska Business was clearly heard as over 70 participants visited with legislators regarding the top three positions and myriad policy positions of the Chamber. There's a refreshing air about the building that gives one a sense of hope and encouragement. An attitude of rolling up our sleeves and get to work. That might be due to many new legislators, new offices, new staff or it might be that constituents and associations, along with the chamber, have sent a message that we'd like to see great things happen this session. Whatever it is, it feels great!

Our visits were well received by most legislators and their willingness to listen and provide their insight is greatly appreciated. For those that took the opportunity, thank you. It matters a great deal that you spent time with some of your constituents, as well as other Alaska business owners who are part of Alaska's economic engine.



Schofield

Our Alaska Roundtable Luncheon (co-sponsored by the Juneau Chamber) allowed us to hear from new legislators; where they came from, why they ran for office and what they hope to achieve in the next (now less than) 90 days. I am encouraged by the enthusiasm and the professionalism displayed by those in attendance. I hope that enthusiasm continues when we get into the guts of oil and gas tax structures! (Insert

Speaking of oil and gas ... It is the top priority of the Alaska Chamber. The title of our position is "Reform Oil Tax Policy to Encourage New Oil Production." As communities around the state grapple with funding from state and federal sources, it is imperative that we take note that 90 percent of our state budget comes from oil revenues.

While most of you reading this know these numbers and know them well, I think it is important that we speak with others in our circles of influence about their effect on daily life in Alaska. Does the kindergarten teacher understand the impact to her classroom? Does the elderly man taking the Alaska Marine Highway to visit his grandchildren understand the effect on that transit system? Maybe not.

As business owners, we



PHOTO/FRANK FLAVIN

Fly-In Attendees discuss strategy in the State Capitol.

have the opportunity to help our local communities understand how oil revenue directly relates to their daily lives. And we must start doing it now, before it is too late. Soon Alaska will fall behind California in oil production. BEHIND! The time is now for discussion and improvement in the way we conduct oil business in Alaska. From new exploration to legacy fields, we have to attract and retain those producers. We must balance the tax structure to entice production, but also provide future income for our great state.

The Governor has put forth four key principles that we believe are solid. Number one: Be fair to Alaskans. Number two: Encourage new production. Number three: Simple. Number four: Durability. Those things all matter to a small company like mine in Southeast Alaska. I need our state to have the ability to attract new businesses and families to our state. I need my community to have access to funds for schools, roads and the ferry system.

I want my grandchildren to have the ability to live, work

and play as adults in their home state. None of this is possible without a good piece of legislation for oil tax reform.

With a rested group of legislators, I hope the discussion can yield something that we can agree on to keep our economy solid and future building. I look forward to the next several weeks and the opportunity to voice my opinion during public testimony. I hope you will too. Keep an eye out for the Alaska Chamber Capitol Notes E-News for committee schedules and your chance to let your voice be heard.

Alaska Chamber meets with 58 of 60 legislators; makes the business community's priorities known



PHOTO/FRANK FLAVIN

Alaska Chamber Fly-In attendees pause for a group picture before a reception with the Governor and First Lady Parnell.



PHOTO/FRANK FLAVIN

Former Representatives Mike Doogan and Ralph Samuels, and Pat Carter speak to Alaska Chamber members.

Alaska Chamber members spent Jan. 23-24 in the Capitol City speaking to legislators about issues important to the business community. The attendees met with legislators to present the 2013 positions the membership deemed to be the most important and highlighted by 3 priorities; Reform Oil Tax Policy to Encourage New Oil Production, Reduce the High Cost of Energy and Increase Responsible Natural Resource Development by Improving the Efficiencies of the Permitting Process and

Gaining Access to Resources.

During the brief visit, Alaska Chamber members had the opportunity to meet with 58 legislators.

“Whether or not we saw eye-to-eye, it was great to discuss the concerns of the business community with those that have chosen to serve the citizens of Alaska,” says Alaska Chamber Chair Renee Schofield.

She went on to point out that many legislators recognize the importance of expanded economic opportunities in the state and that federal and regulatory pressures are having a nega-

tive impact on businesses large and small across the state.

Alaska Chamber Board Member, Cory Baggen of Sitka said, “this event was very productive for me, the business community and the legislators with whom we met. I look forward to the Fly-In next year and am sure that as we move forward the business community will develop a positive and productive relationship with our legislators and their staff.”

The 2013 Legislative Priorities and Positions were chosen at the annual Legislative Policy Forum held

October 4th at the Egan Center in Anchorage, Alaska. The purpose of the policy forum is to establish legislative priorities of the organization for the upcoming year based on proposals submitted by the general membership of the Alaska Chamber.

In addition to delivering their legislative priorities, the attendees also heard presentations from former Alaska Representatives Mike Doogan and Ralph Samuels as well as Department of Commerce, Community and Economic Development Commissioner Susan Bell.

State Priorities

1. Reform Oil Tax Policy to Encourage New Oil Production

The Alaska Chamber encourages the Alaska State Legislature to adopt policies during the 2013 legislative session that apply to current producers and new explorers which encourages new oil production in the state.

2. Reduce the Cost of Energy

The Alaska Chamber supports initiatives that lower the cost of energy and ensures adequate and reliable deliverability in Alaska including continued support for advancing state renewable energy goals.

3. Increase Responsible Natural Resource Development by Improving the Efficiencies of the Permitting Process and Gaining Access to Resources

The Alaska Chamber supports a significant increase in responsible natural resource development and encourages the Alaska State Legislature and administration to uphold Alaska's strong regulatory and permitting laws and policies that will facilitate additional exploration, site development, employment, infrastructure, research, and natural resource production in Alaska.



PHOTO/FRANK FLAVIN

Alaska Chamber members meet with Rep. Pruitt to discuss 2013 policy positions and priorities.

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resources and efficient permitting to priority status. Without continued and increased access to Alaska's rich resources and a predictable and an efficient regulatory process to guide environmentally sound development a fair tax regime isn't even an issue.

In most jurisdictions labor costs are often cited as the largest cost of doing business, but in many areas of Alaska the high cost of energy gives labor costs a literal “run for its money” as the highest cost. For this reason, reducing the high cost of energy was also prioritized a policy objective.

Economies of scale will always be a challenge for controlling energy costs

in Alaska, but increasing Alaska energy supplies will certainly assist in stabilizing and possibly in lowering overall energy costs. The Alaska Chamber's three 2013 legislative priorities work collectively to stimulate the economy, create jobs, and address Alaska's energy issues.

While these priorities are essential to Alaska's economic future, and must be addressed, there are dozens of other policies that affect Alaska's business climate. Workers' compensation cost is a great

example. Typically, being “number one” is a good thing, but not when it comes to having the highest workers' compensation rates in the country.

Take a close look at the information in this newsletter about the workers' compensation situation in Alaska and what other states have recently done to reduce rates. Are workers' compensation rates impeding the growth of your business? Do you have ideas for solutions that could lead to reduced rates? If so, we want to hear from you as the Alaska

Chamber begins to tackle this important issue.

Some paint the desire for Alaska's economic future, and supportive policies, as corporate greed. I disagree. I want to peer into my daughters' eyes and know that I'm doing all I can to ensure they'll have opportunities to live, work and play in Alaska.

There is nothing more important than building the framework upon which future generations can build successful businesses. Such success allows families to earn a living, which in turn enables us to take care of our neighbors, and allows us to properly care of our awesome Alaska environment.



Petro

Workers' compensation cost is a great example.

Pacific Northwest Tour Flashback

Alaska + Business (in the Pacific Northwest) = Economy

Chamber Outreach Trip – May 2-5, 2011

By Cory Baggen

Alaska State Chamber of
Commerce Board Member, Events
Committee Chairman

& Renee Schofield

Alaska State Chamber of
Commerce Board Member, Board
Development Chairman

What has about 60 legs and arms and scrambles around Seattle & Tacoma faster than Alaska Airlines? If you guessed a contingent of folks representing the Alaska State Chamber of Commerce (Alaska Chamber), then you are RIGHT! The Alaska Chamber's Pacific Northwest outreach trip took place the first week of May 2011.

On May 3, Alaska Chamber members traveled to Washington State to represent Alaska and the chamber in a three day symposium. Participants of the event met with Washington state legislators, leaders from the Association of Washington Business, groups representing the Tacoma-Pierce County Chamber of Commerce and the Seattle Chamber of Commerce. Members also had the opportunity to visit several member business locations during the symposium.

Throughout the event leaders from Washington and Alaska discussed how both states can work together to enhance their respective economies. The symposium began with a meeting with leaders from the Association of Washington Business (AWB), Washington's state chamber of commerce, at their headquarters in Olympia. We learned how AWB operates and received many valuable ideas. One thing of note is AWB Competitiveness books, which provides key indicators of the Washington business climate, an idea Alaska should consider emulating.

Following the meeting with the AWB, the group went to the Washington State Capitol for a tour courtesy of Kip Knudson. The Washington State Capitol tour was complete with a visit to the Senate floor and a photo op on the front stairs, courtesy

of Alaska Chamber member Frank Flavin of Flavin Photography.

The day was rounded out by a dinner roundtable event at Anthony's Homeport Olympia. What fun we had there! The dinner was sponsored by Holland America and Carlile Transportation Systems. Guests at the event included Washington State Rep. Jeff Morris, Ms. Pam Folsom and Kris Johnson, Vice President of AWB.

Egils Milbergs, the Director of the Washington Economic Development Commission spoke during the event about the challenges we all face, whether in Washington or Alaska, and how they can be mitigated with innovation based on our respective and shared resources. It was a fun time with old friends, and those just recently met, while working to advance the goals of Alaska and Washington.

The second day of the symposium started off at the Murano Hotel in Tacoma with a breakfast hosted by the Tacoma Chamber of Commerce Alaska Committee. And wouldn't you know it; the program began with a proclamation from the City of Tacoma naming May 4, 2011, "Alaska Appreciation Day." This was followed by presentations from Alaska Chamber members about the Alaska economy and its most important business sectors.

Alaska Department of Commerce, Community and Economic Development Deputy Commissioner Curtis Thayer gave an overview of Alaska's economic outlook followed by Alaska Chambers members who gave an overview of Alaska economic sectors including oil and gas, transportation and seafood, Alaska native corporations, mining and tourism.

The Alaska State Chamber was well represented by the speakers, each giving their perspective on why Alaska and Tacoma are important to each other.

After breakfast we hit the road again for an exciting day of tours and meetings with member businesses in Tacoma. And boy did Alaska Chamber staff keep us hopping! In the

bus, out of the bus, counting noses and making sure we were all there. The first stop was a tour of Versa-Cold cold storage followed by a visit to North West Company (the parent company to familiar stores like AC Value Centers).

The next stop was the William Factory Small Business Incubator for lunch and a briefing on the Military Surface Deployment and Distribution Command (SDDC). After lunch, the group moved on to the TOTE facility for an informative tour of their port facility. The day in Tacoma wrapped up with an interesting and informative tour of the Museum of Glass, sponsored by the Port of Tacoma. Then back on the shuttles we went for a quick jump to Seattle.

Of course, being the fun loving group we are, our first stop in Seattle was SafeCo Field for a Mariners game. Although the Mariners lost to the Texas Rangers the event was a blast. And enjoying the game from the SafeCo box, sponsored by Liberty Mutual, helped to soften the blow. It was a perfect way to end the day!

The Seattle Chamber Alaska Committee kicked off our Thursday morning with a breakfast meeting. Once again, Alaska Chamber speakers took the podium and shared some of the economic challenges Alaska faces and offered ideas on how Seattle and Washington can work together to promote the business interests throughout the Pacific Northwest. Our second quarter board meeting followed breakfast in the Seattle Chamber of Commerce offices. This is one time you definitely wanted to be attending in person rather than calling in.

Immediately following the meeting it was off to the shuttles again. If by now you haven't realized how action packed these three days were, keep reading and you will understand.

Trident Seafoods representatives took participants on a tour of their facility, including their cold storage, manufacturing plant and test kitchen. While listening to the presentation of company history, lunch and was provided by Trident. The fish was beer



PHOTO/FRANK FLAVIN

Alaska Chamber Members enjoying a Mariner's game.

battered cod, which uses beer from Alaska Chamber member Alaska Brewing Company. This is the first time Trident has co-branded a product with another company. Alaska fish and Alaska beer — does it get better? Two great companies with amazing Alaska based products.

After lunch, the symposium continued with a tour of the Port of Seattle, including the new cruise ship facility. Following the day of meetings and tours, several members of the delegation attended a transportation reception hosted by Foster, Pepper, PLLC at their offices overlooking the Port of Seattle.

During the tours guests and hosts were able to share ideas and provide insight on challenges we share as a region. Washington folks got to hear from us that we value our relationship with them and visa versa. Washington businesses are important to the movement of goods and services and people to and from Alaska and Alaskans respect the relationship and push for continued growth and development of that relationship.

The Pacific Northwest Symposium fostered future growth between regions. It was also a great opportunity to brainstorm with other Alaska Chamber members as we traveled

around together. The shuttle time, correction ample shuttle time, gave us a chance to get to know each other better. It allowed us the opportunity to develop business relationships and more importantly develop bonds that transcend business and help to create a stronger, more cohesive and effective organization.

None of this could have happened without the dedication of the Alaska Chamber Events Committee and staff and, of course, the graciousness of the folks of Seattle and Tacoma Chambers.

Was this worth being away from the office? It was! It was worth every minute away and every penny spent to participate! Don't miss the 2013 Alaska Chamber outreach trip, April 30 – May 2. Sign up early, shuttle seats are limited and will sell out quickly.

Sold yet? Join us!
2013 PACIFIC NORTHWEST TRIP
Date: April 30 – May 2, 2013
Location: NW Washington
Sign-up online at
AlaskaChamber.com
For more information
contact Ryan Makinster at
907.278.2727 or rmakinster@alaskachamber.com

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LOS ANGELES	SINGAPORE	WHITTIER	ANCHORAGE	PORTLAND
DUTCH HARBOR	IRAQ	OLYMPIA	SEWARD	NIGERIA
ENSENADA	GRAYS HARBOR	TAMPICO	ANACORTES	
LONG BEACH	BREMERTON	SACRAMENTO	NEAH BAY	
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Save The Date! Plan To Attend!

Pacific Northwest Symposium

Representatives from the Alaska Chamber travel to the Pacific Northwest to strengthen relationships with organizations, individuals and businesses that are closely linked to Alaska through our shared economies and trade.
Seattle & Tacoma, Washington
April 30-May 2, 2013

Outreach Trip

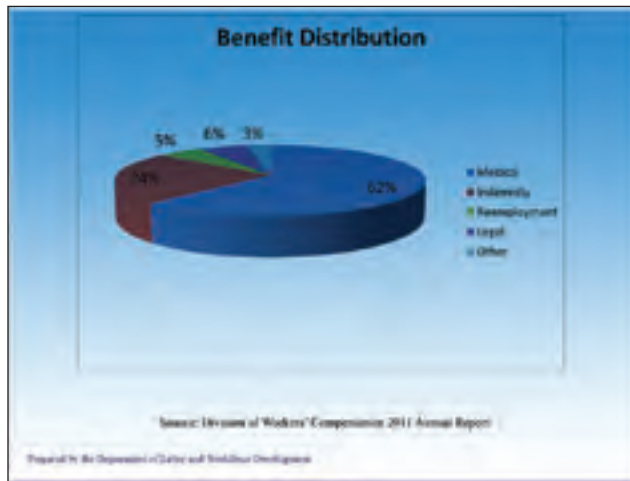
Seward, Alaska
July 9-10, 2013

Annual Conference & Policy Forum

Fairbanks, Alaska
October 8-10, 2013

Mark your calendars and check our website for details, www.alaskachamber.com.

Join the discussion concerning Alaska Workers' Compensation costs



	2007	2008	2009	2010	2011	2012
Alaska	100%	100%	100%	100%	100%	100%
Arizona	100%	100%	100%	100%	100%	100%
California	100%	100%	100%	100%	100%	100%
Colorado	100%	100%	100%	100%	100%	100%
Connecticut	100%	100%	100%	100%	100%	100%
Delaware	100%	100%	100%	100%	100%	100%
District of Columbia	100%	100%	100%	100%	100%	100%
Florida	100%	100%	100%	100%	100%	100%
Georgia	100%	100%	100%	100%	100%	100%
Hawaii	100%	100%	100%	100%	100%	100%
Idaho	100%	100%	100%	100%	100%	100%
Illinois	100%	100%	100%	100%	100%	100%
Indiana	100%	100%	100%	100%	100%	100%
Iowa	100%	100%	100%	100%	100%	100%
Kansas	100%	100%	100%	100%	100%	100%
Kentucky	100%	100%	100%	100%	100%	100%
Louisiana	100%	100%	100%	100%	100%	100%
Maine	100%	100%	100%	100%	100%	100%
Maryland	100%	100%	100%	100%	100%	100%
Massachusetts	100%	100%	100%	100%	100%	100%
Michigan	100%	100%	100%	100%	100%	100%
Minnesota	100%	100%	100%	100%	100%	100%
Mississippi	100%	100%	100%	100%	100%	100%
Missouri	100%	100%	100%	100%	100%	100%
Montana	100%	100%	100%	100%	100%	100%
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Tennessee	100%	100%	100%	100%	100%	100%
Texas	100%	100%	100%	100%	100%	100%
Utah	100%	100%	100%	100%	100%	100%
Vermont	100%	100%	100%	100%	100%	100%
Virginia	100%	100%	100%	100%	100%	100%
Washington	100%	100%	100%	100%	100%	100%
West Virginia	100%	100%	100%	100%	100%	100%
Wisconsin	100%	100%	100%	100%	100%	100%
Wyoming	100%	100%	100%	100%	100%	100%

Source: November 2011 Milliman report to the State Workers' Compensation Commission on personal services.

By Fred Brown

“We are number One!”

Fans yell this chant for a championship team. It is also the claim we want to make on behalf of Alaska’s business climate. Unfortunately, this is the infamous title we can correctly assign to Alaska’s workers’ compensation premium rates, as compared to the rest of the United States.

Gov. Sean Parnell acknowledged this unenviable position when he met with participants of the Alaska State Chamber’s legislative fly-in Jan. 23-24.

“We need to address the problem of high workers’ compensation costs, as soon as we deal with the oil tax issue,” the governor said. “Meanwhile, I hope Alaska Chamber members will start the discussion.”

Members of the Alaska State Chamber’s Legislative Affairs subcommittee on workers’ compensation have been meeting since the summer 2012 with representatives of insurers, employers, organized labor and the Alaska Department of Labor and Workforce Development, in an effort to reach consensus as to how to address Alaska’s high premium rates. All participants agree that the primary driver of Alaska’s workers’ compensation premium rate increases is rising medical costs.

A generation ago, a majority of Alaska’s workers’ compensation costs were related to payments of indemnity benefits to injured workers. Today, however, Alaska’s premium rates have been overwhelmed by medical costs. According to the Alaska Division of Workers’ Compensation 2011 annual report, 62 percent of Alaska’s workers’ compensation benefits provided are

associated with medical treatment for injured workers.

Moreover, Alaska’s workers’ compensation medical costs far exceed the average costs compared to our neighboring states. For example, according to a 2011 Milliman report prepared for the Alaska Health Care Commission, Alaska’s workers’ compensation physician reimbursement rate is a whopping 190 percent of the regional average.

Currently, the only existing substantive measure to control Alaska’s rising workers’ compensation medical costs is the “usual, customary and reasonable” (UCR) standard established under AS 23.30.097(a) of the Alaska Workers’ Compensation Act.

Susan Bell, Commissioner of the Department of Commerce, Community and Economic Development, told Alaska State Chamber Legislative fly-in participants that she and Labor and Workforce Development Commissioner Dianne Blumer are working to identify other strategies to lower Alaska’s workers’ compensation premium rates. For example, Commissioner Bell said the administration is reviewing recommendations contained in a 2009 report prepared by the Alaska Workers’ Compensation Medical Services Review Committee (MSRC).

The MSRC’s recommendations included switching from a UCR-based fee schedule to a “resource based relative value scale” (RBRVS) fee schedule for physicians, implementing separate conversion factors for medical practice areas, and implementing medical treatment guidelines.

Additionally, members of the Alaska Workers’ Compensation Board are attempting to address the impact that rising medical costs are imposing on the system. During its Decem-

ber 2012 meeting, the Board heard testimony that as medical costs continue to rise, cost shifting against providers of injured worker coverage is becoming more frequent.

Those Board members present unanimously endorsed a resolution asking the legislature to give the Board authority to control medical fees through the regulatory process. Specifically, the resolution states, “The Alaska Workers’ Compensation Board fully supports repealing and readopting section 23.30.097(a) of the Alaska Workers’ Compensation Act to provide that all fees and charges for medical treatment be subject to regulation by the Board.”

It remains to be seen whether consensus can be reached as to how to deal with Alaska’s rising workers’ compensation medical costs, and the nature of any associated legislation that may be introduced. It is undisputed, however, that changes in the current system must be made and Alaska’s number-one ranking be addressed in order for Alaska to be able to compete with other states in attracting business to the state.

Join the discussion.

For more information, Chamber members may obtain copies of the documents described in this article through the Alaska State Chamber office, or from members of the Chamber’s Legislative Affairs subcommittee on workers’ compensation.

Fred Brown is Executive Director of Health Care Cost Management Corporation of Alaska and a member of the Alaska State Chamber’s Legislative Affairs subcommittee on workers’ compensation. Fred is an attorney and former Workers’ Compensation Hearing Officer and can be reached at fred.brown@hccmca.org.

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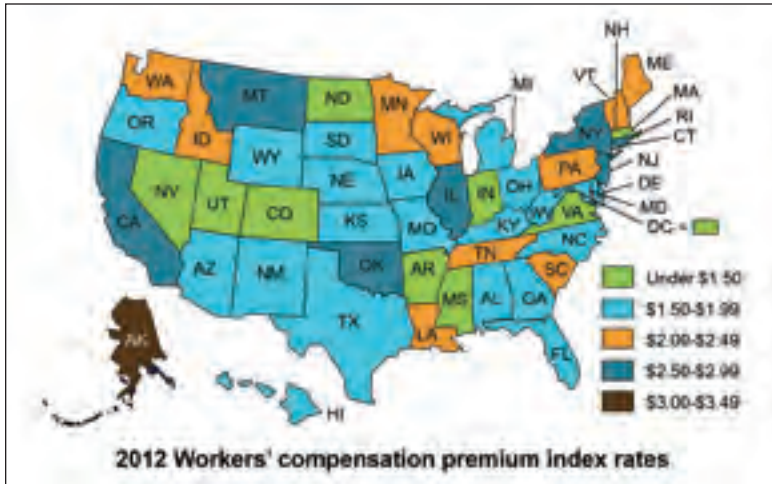
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Carlile Transportation
District J



What can Alaska learn from Montana on workers' comp costs?

By Gary Strannigan
Assistant Vice President, Liberty Mutual Group

Okay, so it's not really the kind of thing we should raise a huzzah for. Alaska is, once again, No. 1. Only in this case, it's a bad thing. If we were talking about a golf tournament, Alaska would receive the "flying divot award" for worst score.

The industry bible for comparative workers' compensation data is the biennial Oregon Study. The 2010 edition listed Montana as the most expensive state in the nation for workers' compensation insurance. However, in 2011, after a few years invested in arriving at an agreeable compromise, the Montana legislature enacted HB 334. In a bipartisan effort, the GOP majority legislature working with

Democratic Gov. Brian Schweitzer assembled a package of reforms that the National Council of Compensation Insurers estimated would reduce workers' compensation premiums 20 to 44 percent.

And it has worked. Liberty Northwest was planning to request a 12 percent average premium increase in July 2011 due to adverse cost trends. Instead, as a direct consequence of HB 334, LNW submitted a 20 percent reduction. Now, with the release of the 2012 edition of the Oregon Study, Montana has fallen from its perch at No. 1, all the way down to No. 8. You guessed it: Alaska is now ensconced as the No. 1 most costly workers' compensation state in the country.

Two questions come to mind:

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Workers' compensation premium rate ranking

2012 Ranking	2010 Ranking	State	Index Rate	Percent of study median	Effective Date
1	2	Alaska	3.01	160%	January 1, 2012
2	6	Connecticut	2.99	159%	January 1, 2012
3	5	California	2.92	155%	January 1, 2012
4	3	Illinois	2.83	151%	January 1, 2012
5	13	New York	2.82	150%	October 1, 2011
6	4	Oklahoma	2.77	147%	11/1/11 State Fund, 1/1/12 Private
7	7	New Jersey	2.74	148%	January 1, 2012
8	1	Montana	2.50	133%	July 1, 2011
9	10	New Hampshire	2.40	128%	January 1, 2012
10	8	Maine	2.24	119%	January 1, 2012
12	14	Pennsylvania	2.15	114%	April 1, 2011
12	19	Wisconsin	2.15	114%	October 1, 2011
13	26	Washington	2.11	112%	January 1, 2012
14	18	Vermont	2.07	110%	April 1, 2011
15	25	Louisiana	2.06	110%	October 1, 2011
16	12	South Carolina	2.04	109%	July 1, 2011
17	16	Minnesota	2.03	108%	January 1, 2012
19	20	Tennessee	2.02	107%	November 1, 2011
19	29	Idaho	2.02	107%	January 1, 2012
20	28	Rhode Island	1.99	106%	June 1, 2011
21	10	Alabama	1.97	105%	March 1, 2011
22	15	Kentucky	1.96	104%	October 1, 2011
23	28	South Dakota	1.91	102%	July 1, 2011
25	36	Iowa	1.90	101%	January 1, 2012
25	23	North Carolina	1.90	101%	April 1, 2011
27	24	Georgia	1.88	100%	March 1, 2011
27	32	New Mexico	1.88	100%	January 1, 2012
28	17	Ohio	1.84	98%	July 1, 2011
29	40	Florida	1.82	97%	January 1, 2012
30	34	Delaware	1.77	94%	December 1, 2011
31	37	Wyoming	1.74	92%	January 1, 2012
32	23	Michigan	1.73	92%	January 1, 2012
33	30	Nebraska	1.71	91%	February 1, 2011
34	42	Maryland	1.68	89%	January 1, 2012
35	40	Hawaii	1.66	88%	January 1, 2012
36	33	Missouri	1.62	86%	January 1, 2012
37	36	Arizona	1.61	86%	January 1, 2012
38	12	Texas	1.60	85%	June 1, 2011
39	41	OREGON	1.58	84%	January 1, 2012
40	35	West Virginia	1.55	82%	November 1, 2011
41	43	Kansas	1.54	82%	January 1, 2012
42	31	Mississippi	1.49	79%	March 1, 2012
43	47	Colorado	1.42	75%	January 1, 2012
44	44	Massachusetts	1.37	73%	September 1, 2011
45	45	Utah	1.35	72%	December 1, 2011
46	21	Nevada	1.33	71%	March 2, 2011
47	48	District of Columbia	1.28	68%	November 1, 2011
48	47	Virginia	1.20	64%	April 1, 2011
49	49	Arkansas	1.19	63%	July 1, 2011
50	50	Indiana	1.16	62%	January 1, 2012
51	51	North Dakota	1.01	53%	July 1, 2011



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Support the military... Support the economy

By Andy Rogers
Deputy Director, Alaska Chamber

Saturday, Jan. 5, at 10:45 a.m. Alaska Standard Time, I sat in a jump seat beside Chief Master Sergeant Kirk Brinegar, listening to Elmendorf's air traffic control chatter on my headset. In the cockpit ahead of me sat Honorary Commander and BP Vice President of External Affairs Phil Cochrane.

Our pilots, Lieutenant Colonel Tom Haley and Lieutenant Casey McCormack, called our attention to an F-22 Raptor thundering down the runway. The Raptor roared past us and then we taxied forward, turned and lifted off into Alaska's overcast, winter skies.

We were onboard an Air National Guard, KC-135 Stratotanker out of Oklahoma and Demon was the name of our mission. The KC-135 can carry over 80,000 pounds of fuel and our job was to refuel the F-22 Raptors of Alaska's own 477th Fighter Group. The 477th is Alaska's only Reserve unit and Air Force Reserve command's first F-22 unit. We would spend the next several hours drilling holes in the sky and refueling Raptors at 28,000 feet. Lying in the belly of the KC-135, I watched fighter jets take on fuel just 12 feet away.

Let me tell you... the operation, personnel and equipment were simply impressive.

The military presence in Alaska has enormous economic impact on our communities and infrastructure investment. For years, Alaska Chamber members have adopted a position to seek community and legislative support for Alaska's military operations.

However, it's often difficult

for Alaskans, and Alaska's businesses, to express support for our service personnel. The KC-135 mission was part of an attempt to educate Alaska's employers and to grow these connections.

Myself, Cochrane and several other civic leaders were onboard by invitation from the 477th Fighter Group. Be it Fort Wainwright in Fairbanks, Coast Guard Base Kodiak, or JBER in Anchorage, Alaska is an appealing assignment for service personnel. They want to be in Alaska. They want to work here, to raise their families here. They want to enjoy all the aspects that make this state such fantastic place to live.

For the reservist, a critical part of Alaskan-life is a good, private-sector job. These are talented professionals with a commitment to serving their communities and their country. Often times, it can be a challenge for them to connect with employers who understand why they aren't available to pull extra shifts on weekends. To connect with employers who recognize why they save and scrape together every vacation day for missions and training in service to our country.

Alaska Chamber members have identified support of our military as something that is important to the economic health of the state. Are you interested in doing your part to start growing that base of support? Consider educating yourself on the skills, needs and availability of our Guard and Reserve Service members.

You can start by contacting James Hastings, the 'job guy' at Employer Support of the Guard and Reserve (ESGR). Contact him at james@alaskashealinghearts.com or (907) 232-1527.



PHOTO/AIRMAN FIRST CLASS JONATHAN STEFFEN
A KC-135 Stratotanker from the Alaska Air National Guard 168th Air Refueling Wing refuels a F22 from the 90th Fighter Squadron Elmendorf Air Force Base Alaska.

Workers Continued from Page 5

why is this important? And what did Montana do to reduce their comp premiums?

First, make no mistake; this is a competitiveness issue for Alaska. While the Alaska legislature has wrestled with the oil tax question, Alaska has been overtaken by North Dakota and Texas as the top oil producing states. According to the 2012 Oregon Study, North Dakota is the least expensive workers comp state in the country with average premiums merely 1/3 that of Alaska's. Texas, having also enacted comp reforms, has fallen on the Oregon Study list from No. 12 in 2010 all the way down to No. 38



Strannigan

in 2012; with average costs per worker at about half that of Alaska.

Second, the new Montana law shortens the period in which workers can receive medical benefits and allows employers to specify which doctors they can see and how well those doctors are compensated. If an employee is injured on a break while away from the workplace, the employer is no longer likely to be on the hook for lost wages and medical expenses.

Based on what we learned from both the Texas and Montana reforms we know this: a workers' com-

pensation system that functions best for employers and injured workers with the most effective care and most meaningful return-to-work outcomes utilizes a combination of evidence-based treatment guidelines, return-to-work guidelines, direction of care, fee guidelines based on federal benchmarks, and an effective and streamlined dispute resolution mechanism. While the details of any such plan can make or break the system, these are the broad brushstrokes that we must start with in order to improve the state's broken workers' compensation system.

In both Texas and Montana, reform of their broken workers' compensation systems was achieved because the business community united behind this singular legislative

priority. Their governors and legislators then embraced the reforms. We can do it here, but it is up to the Alaska business community to emphasize the importance of the issue.

Reducing workers' compensation costs for Alaska employers is a top competitiveness issue. Montana and Texas have demonstrated that meaningful reforms can be achieved.

Upon conclusion of the oil tax debates this legislative session, Gov. Parnell should waste no time and begin assembling a series of workers' compensation reform recommendations for consideration and enactment by the 2014 legislature. Or perhaps Alaska will repeat as number one. Alaskan employers and workers alike should join me in hoping not.

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Welcome New Members



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<http://www.akonecall.com>

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The Alaska SeaLife Center is the only facility in Alaska that combines a public aquarium with marine research and education, and wildlife rescue and rehabilitation. The Center lies at "Mile 0" of the scenic Seward Highway on the shores of Resurrection Bay. Visitors have close encounters with puffins, octopus, sea lions and other marine life while learning about the work our researchers are conducting in the field and in our laboratories. The staff and volunteers at the Alaska SeaLife Center work towards the common goal of connecting people to Alaskan ocean ecosystems.

Arni Thomson
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 Anchorage, AK 99501
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FSBO System is all the help you need to sell your home and save the commission.™ In Anchorage since 1995, we've recently created a web-based tutorial and other materials for use by anyone in North America, and this winter we're expanding with a new office in Denver.

Kenaitze Indian Tribe
 PO Box 988
 Kenai, AK 99611
 (907) 335-7200
<http://kenaitze.org>

Kahtnuht'ana Dena'ina people have inhabited the Kenai Peninsula since time immemorial. Today, Kenaitze Indian Tribe is federally recognized under the Indian Reorganization Act as a sovereign independent nation. Many of the Tribe's more than 1,400 members still live on the Kenai Peninsula and in Anchorage, while others live throughout Alaska and as far away as New York, Florida, Texas and California. During its annual meetings, the Tribe elects the members of its Executive Council to serve staggered two-year terms and govern the Tribe in accordance with the Tribe's Constitution, By-Laws, Ordinances and Resolutions. The Council appoints a Chief Tribal Judge who oversees the Tribal Court and upholds Tribal law. The Council also

See New Members, Page 8

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New Members Continued from Page 7

appoints an Executive Director, who implements established Council policies and procedures and is responsible for the day-to-day operations that enhance and support the continued growth and success of the Tribe.

**Kiska Metals DBA
Geoinformatics Alaska
Exploration Inc.**
29945 Aspen Lane
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(907) 260-3083
<http://kiskametals.com>

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Ucore Rare Metals Inc. is a development-phase mining company focused on establishing rare metal resources with near term production potential. With multiple projects across North America, Ucore's primary focus is the 100% owned Bokan – Dotson Ridge REE property in Alaska. The Bokan – Dotson Ridge REE project is located 60 km southwest of Ketchikan, Alaska and 140 km northwest of Prince Rupert, British Columbia and has direct ocean access to the western seaboard and the Pacific Rim, a significant advantage in developing near term production facilities and limiting the capital costs associated with mine construction.

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